Abiy Ahmed’s ‘Medemer’ reforms: Can it ensure sustainable growth for Ethiopia and what are the challenges facing the new government?

By Sara Mokaddem

Summary

Since coming to power on April 2018, Dr. Abiy seems to be unstoppable, making the world headlines on many occasions. He has embarked the country on an ambitious and transformative project; he has freed thousands of prisoners and established a Reconciliation Commission, has called on the privatization of state-owned enterprises and signed a stunning peace treaty with Eritrea. Furthermore, in a complete shift from the old paradigm of developmental state, the new PM outlined his renewed vision for the country’s development at the World Economic Forum (2019), which he said are deeply rooted in the concept of Medemer (meaning coming together or synergy in Amharic). Yet, with the next elections planned for 2020, change is pressing in Ethiopia and the new administration has to step on the accelerator to implement the promised radical reforms. This paper presents the key reforms outlined by the new prime minister and the main challenges facing Abiy Ahmed’s government.

He has been called a courageous reformer, a miracle or even, as the Financial Times recently stated, Africa’s new talisman. Since coming to power in April 2018, Abiy Ahmed has embarked the country on an ambitious and transformative project. The new prime minister clearly fascinates many. Yet, there are still doubts as to how successful he will be in his grand optimistic endeavor.

Dr. Ahmed has generated great excitement with bold and symbolic measures taken through the past year; he has freed thousands of prisoners and established a Reconciliation Commission, has called on the privatization of state-owned enterprises and signed a stunning peace treaty with Eritrea, after two decades of a bitter conflict that has dramatically shaped the politics of the horn of Africa. It is definitely clear that this outspoken young leader is a breath of fresh air in a country that was on the brink of collapse just a year ago.

Ethiopia is now at a historic moment of great potential for political, economic and social transformation. But how sustainable can the new prime minister’s radical reforms be? Can Abiy really follow through with his many promises? And, what are the challenges he faces?
The genesis of a sudden change of leadership

Under frequent states of emergency in the past years, the country was dangerously shaken by street violence, which was increasingly fueled by a divisive ethnic discourse. In early 2018, nationwide protests and business boycotts, accompanied by acts of sabotage, paralyzed Ethiopia's weakened government and threatened the stability of the country. The economy was brought to a standstill and Ethiopia was rapidly plunging into the abyss.

It is really since the country’s third multi-party elections of 2005, under the late Meles Zenawi1, that internal tensions have been continuously growing. Although it was the first time the country allowed international observers, the opposing Coalition for Unity and Democracy (CUD)2 (known as Qinjit in Amharic) aggressively contested the results of the elections. Supporters of the Qinjit rejected the outcome and confronted the security forces (a federal special elite, called the Agaazi.) Around 9,000 of them were detained on charges of endangering national security. This was the first blow to the democratization path of Ethiopia as many were left disillusioned and skeptical about the government’s promises on democratic reforms and political openness. Since then, the opposition parties continue to question the election process.

The heightened civil unrest, since 2015, brought again to the surface the deep unresolved historical grievances that were overshadowed by the country’s impressive economic growth.

A year before this, the ruling coalition -the Ethiopian People Revolutionary Democratic Front (EPRDF)- started to realize and admit its internal flaws: unmet urgent social demands, internal corruption, and a leadership in disarray coupled with an inefficient bureaucracy at both the federal and the local levels. It even decided to initiate a process of critical self-evaluation (in Amharic gimgema,) with promises of radical reforms (tiluq tihadeso) and deep leadership renewal (metekakat) --but it was just too little, too late. Violent anti-government demonstrations have been, since November 2015, calling for democracy, greater ethnic equality and for the respect of the sovereignty of the regions under the state’s federal arrangement.

The 2015 riots where first triggered by the discontent towards the controversial Addis-Ababa master plan, which aimed at expanding the city on the boundaries with the Oromo region and eventually leading to the displacement of thousands of Oromo farmers from their land. Despite the government discontinuing the proposed Master Plan following the protests, Oromo farmers argued that the government was still conducting the expansion plan and that the economic growth was not translating into real inclusive development and democratic change for the local population. Rapidly joined by discontent Amhara in their call for a more inclusive growth, the two ethnic groups began to combine their efforts against the EPRDF government and the political system, which they considered to be overly dominated by the Tigray minority –representing 6% of the population. In the south of the country, the Somali region was also experiencing internal tensions. With long-dated confrontations, this region lives under a chronic state of crisis and instability. Adding to this, frequent human rights’ violations and abuses were also committed by the ‘Liyu Police’, a regional paramilitary force under the commands of the Ethiopian regional state.

Hence, the widespread dissatisfaction with the government’s repressive methods and the assumed ethnic favoritism (in favor of the Tigray) motivated serious social rancor towards the government, causing self-destructive divisions for the state but mainly within the ruling coalition.

After many attempts at easing the tensions, from promises of reforms to freeing social activists, the late Prime Minister Hailemariam Desalegn -whose term began in 2012 after the death of Meles Zenawi- failed to satisfy the never-ending social demands that have degenerated to a state of permanent crisis. Under pressure from a divided coalition, which left him with little room for maneuver, Desalegn abruptly submitted a letter of resignation, heroically stating that ‘he wanted to be part of the solution’ and that his departure was “vital in the bid to carry out reforms”. The young Dr. Ahmed –affiliated with the Oromo People Democratic Party (OPDO), son of an Amhara Christian mother and an Oromo Muslim father-, former army intelligence officer, was shortly after, propelled forward.

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1. first leader of the EPRDF, has ruled the country with an iron fist from 1991 to his death in 2012
2. Coalition of four parties, namely the Ethiopian Democratic League (EDL), the All Ethiopian Unity Party (AEUP), the United Ethiopian Democratic Party (Medhin) and the Movement for Democracy and Social Justice (or Rainbow Ethiopia).
Whether planned, forced, or spontaneous, the resignation of Desalegn -originally from Wolayta and representing the Southern Ethiopian People’s Democratic Movement (SEPDM)- set the stage for a succession race, in which the choice of an Oromo leader was a wise symbolic message in a country where identity politics often leads the conversation. This hope was embodied in his acceptance speech. In fact, Dr. Ahmed symbolized a new idea: -UNITY-, triggering new hope and redirecting the country from its negative path.

Immediately after he came to power, he toured the country and visited the tensest areas, momentarily cooling down the ethnic tensions.

The Medemer reforms, the needed re-branding of Ethiopia

Since April 2018, Dr. Abiy seems to be unstoppable, making the world headlines on many occasions. His record in the last few months clearly illustrates his ambitions. Recently, in an effort of re-branding Ethiopia, the prime minister and his new cabinet travelled to the US and Europe, presenting the “renewed vision” for Ethiopia and urgently calling for more investment as the economy suffers from heavy external debt (estimated at around $30 billion and over 40% of GDP, according to the IMF), increasing unemployment and a foreign currency shortage.

Hence, aiming at reversing the economy’s downward trend, the prime minister outlined his vision at the World Economic Forum (2019) in Davos and presented his approach to cross cutting reforms, which he said are deeply rooted in the Amharic concept of Medemer (meaning synergy, or coming together).

The Medemer reforms, as presented by the prime minister, are centered on three interdependent pillars:

1. Building a vibrant democracy

Building a democratic and pluralist democracy requires quick and decisive actions to enhance the citizens’ trust in the government.

While the Ethiopian economy registered rapid growth averaging 10% per annum for the past decade, the society has stagnated in a period of authoritarianism. Political freedom and democracy were seriously undermined by the government’s repressive methods.

Therefore, the new prime minister has pledged to review restrictive laws of the past, including the anti-terrorism law, often used to silence opposing views. In addition, over 13,000 prisoners were freed as part of an amnesty campaign and the parliament legalized two opposition groups with secessionist aspirations, the Oromo Liberation Front (OLF) and the exiled movement ‘Ginbot 7’. A revised civil society law should also be introduced soon. The president of the Somali regional state, Abdi Mohamoud Omar, known as Abdi Illey, was also ousted from his position, principally due to his role as commander of the repressive Liyu Police, accused of serious human rights’ violations.

On gender parity, the country has also made the headlines. Half of Abiy’s new cabinet is made up of women, the parliament appointed Sahle-Wok Zewde, a former diplomat as the first female president of the country and women are also heading the Supreme Court (Meaza Ashenafi) and the electoral commission (Birtukan Mideksa).

2. Economic vitality

Ethiopia is a low-income country with very low adaptive capacity. The main sector is agriculture (40% of GDP and 70% of employment), which means that much of its economy depends on its climate. Considering this vulnerability, the government is now implementing its second Growth and Transformation Plan (GTP II) aiming at boosting the manufacturing sector and building the adequate structures for a green climate-resilient Middle-Income Country by 2025. The first five-year plan (GTP I- 2010-2015), and its successor (GTP II- 2015-2020) were designed to shift the country from an agricultural to a manufacturing-based economy by relying on the massive development of huge infrastructure projects.

3. Five-year development plans covering elements on both the long- and short-term visions for development. In GTP I, priority sectors included health, education, agriculture, roads and water and sanitation, were identified for public expenditure with a central aim at maintaining growth and modernizing agriculture while increasing industrialization. The second plan, outlined in May 2015, (GTP II) defined very ambitious targets for infrastructure, energy generation as the main drivers for future economic growth.
including the expansion of transport links and hydro-electric power. Nonetheless, it seems that the previously established development model has reached its limits and that the new government had to rapidly think of a new strategy to save the economy.

As the second demographic power in Africa, the government needs to ensure citizens have the adequate environment to fulfil their potential by improving the education system and investing in the aspiration of the youth. Ethiopia cannot reach the center of international market without the involvement of its women and youth. Therefore, creating a dynamic economy requires:

- Facilitating access to finance for small and medium size enterprises;
- Easing regulations to start business and improving the policy environment (institutional reforms, commercial and investment codes, and other business regulations);
- Making the private sector an integral part of the economy and opening it to international business (sale of minority shares of state-owned enterprises and reallocation of public expenditure);
- Encouraging Public-Private Partnerships (PPPs).

It is also important for the future of the continent to enable countries to grow their economies beyond primary commodities and develop other sectors that can help in accelerating their socioeconomic development. In this sense, Abiy’s new administration encourages enhanced regional integration.

3. Regional integration and openness to the world

Interdependency reduces the likelihood of conflicts between neighbors. Dr. Ahmed uses the following phrase to illustrate his thought: “if you want to go fast go alone, but if you want to go far go together.” It does indeed reflect in Ethiopia’s multilateral approach, notably in joining the Continental Free Trade Agreement (CFTA) and through its active engagement in various regional and continental institutions, whether the Intergovernmental Authority on Development (IGAD)⁴, the Common Market for Easter and Southern Africa (COMESA)⁵, or in the African Union (AU). A continent at peace will also create a less favorable environment for criminal activities that threaten the security of states and their citizens. The country’s surprising rapprochement with its long-dated nemesis, Eritrea, opened the opportunity for the creation of a peace belt in the region, which ideally, could run west to east and secure a cooperation road that crosses the continent.

Besides, Ethiopia and its neighbors can optimize their chances of openness to the world by finding ways of creating synergies and saving resources. Dr. Ahmed goes on, advocating for a single diplomatic post that could represent all IGAD countries, which could tremendously save resources and allow for a better regional coordination on development matters.

Ethiopia’s new chapter: Is it possible to forget about the past and build the future?

Implementing these reforms will not been smooth sailing for the new prime minister. In Ethiopia’s ethnicized politics, working together requires a lot of compromise and building a national consensus around the proposed path while major security issues and ethnic based violence are still at the top of the new government’s list. It is important to note that the recent crisis in Ethiopia was playing out on two levels: first, the discontent population was rioting against the ruling elite, but it then, quickly turned into an intra-elite conflict. Therefore, Abiy needs to find the right approach to move the country forward and address social discontent while restructuring the state’s political and security structures.

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⁴ The Intergovernmental Authority on Development (IGAD) was founded in 1986 and comprises: Djibouti, Somalia, Ethiopia, Sudan, Kenya, Uganda, South Sudan, Eritrea.
⁵ Common Market for Easter and Southern Africa (COMESA) was formed in 1994, it is an integral part of the African Economic Community of the African Union and comprises: Burundi, the Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Seychelles, Uganda, Zambia, and Zimbabwe and since 2018, Tunisia and Somalia.
• Existing divisions within the ruling coalition

The EPRDF coalition was fragilized by the streets’ dissatisfaction. The Tigray People’s Liberation Front (TPLF) was increasingly called out as the dominating force with puppet parties working for it but not for the interest of the regions and ethnic group they represent.

Several signals since the beginning of an anti-corruption campaign launched in mid-2017 revealed the existence of discords within the EPRDF. The following resignations of some prominent members of the government had also, further mediatised the growing internal division, in solidarity with the Oromo cause or due to fears for their own safety in what they claimed to be a political purge and a loyalty-check towards the ‘old guard’ of the EPRDF, especially the TPLF. Moreover, although the EPRDF communicates very little about its internal state, the meeting of its executive committee in December 2017 largely confirmed the growing lack of cohesion within the coalition. It was clearly a new episode for the EPRDF of internal restructuring of the ruling coalition accompanied by several reforms that would mainly target the top leadership of the parties forming the EPRDF. Some expulsions from the party, including that of Azeb Mesfin, Meles Zenawi’s widow, and the president of the Tigray region, Abay Woldu, confirmed the emergence of a new trend and a crisis within the TPLF and the EPRDF as a whole.

Now, Abiy has to go beyond the internal tensions within the ruling coalition without favoring one ethnic group over the other. The reformists have many re-adjustments to do, in the government structures, within the ruling party but also in the army, and this will definitely not be an easy task.

In his attempt at reforming the security landscape, Dr. Ahmed experienced some direct threats. He escaped an apparent assassination attempt in June 2018 after someone threw a grenade to his stage at one of his rallies in the capital, and in October 2018, the military was apparently staging a coup, despite being initially presented as an issue of unpaid wages. These two instances, in less than 6 months, demonstrate the ongoing internal fight for influence between the reformists and the “old guard” of the party, who remain quite resistant to Abiy’s reforms.

• Federal arrangements with ethnicized politics

The aggravating elements adding to the general discontent are clearly the ethnic nature that the geography imposes in this federal state. Following the revolution against the military regime of the Derg, Ethiopia organized its political transition using ethnicity as the fundamental principle for its federal arrangement. The country is divided into nine ethnically based regional states and two chartered cities (Addis Ababa and Dire Dawa). Hence, ethnic nationalism is key to the country’s exercise of federalism. However, many obstacles remain to the achievement of the decentralized model suggested by the federal arrangement since 1991. Therefore, Ethiopia cannot democratize if one ethnic group dominates the coalition and the country’s political system.

Now, Dr. Ahmed is facing a challenge of moving the country beyond its inter-ethnic tensions and ensuring that all ethnic groups are sufficiently represented in the government. For this, Human Rights’ abuses should also be addressed, and the proposed National Reconciliation Commission is a step forward towards this national unity. Unresolved grievances between ethnic groups will destabilize the country and jeopardize democratization under its current federal structure.

• Opening the political sphere before the 2020 elections

Democracy is not about fair elections taking place, but it should principally be about the fairness and the democratization of the entire process leading to and following the elections. In this sense, as long as it is largely dominated by a single-force, the electoral process will continue to constitute an obstacle to the democratization of Ethiopia’s political system and a permanent risk to the state structure and its sustainability. Besides, the suspicion of the ruling coalition towards any form of opposition hinders the consolidation of the democratic process.

The establishment of the Coalition for Unity and Democracy (Qinjit) in 2004 and the Forum for Democratic dialogue...
in Ethiopia’ (Medrek) in 2008 were two attempts for the opposition at consolidating and joining efforts against the ruling EPRDF. Nevertheless, opposition parties seem to be more focused on their opposition to the EPRDF than building alternative models to that of the ruling coalition. In reality, there is little political debate with the opposition to concretely challenge the dominating Front. Now that some opposition figures and parties are ‘pardoned,’ it is time to allow space for discussion and open debate and this will not go without freedom of speech and a review of the civil society law.

- **Fighting corruption**

Democracy and development are interlinked. The benefits from economic growth can only be possible through democracy. The recent growth pace has led to some social changes: since 2000, life expectancy has increased by 13 years; the number of workers with at least secondary education has increased by 50% while poverty has decreased from 70 to 30% (World Bank data, 2017). Ethiopia was for a long time victim of its image: synonym of poverty, war and misery, it became through the past decade one of the fastest growing economies worldwide. Yet, fighting poverty does not happen overnight. For the development to be more inclusive, the government needs to make sure that growth is not instrumentalized for the interest of an elite. Development cannot reach the local level when corruption is still high and public funds are mismanaged. The success of reforms relies on their implementation and the well management of available resources. In this sense, democratizing the country and developing it goes with fighting corruption at a local level, and within the ruling party’s leadership.

During 2017, the role of some investment funds was singled out in cases of misappropriation of international aid. Organizations such as the Relief Society of Tigray (REST) or EFFORT Investment were accumulating wealth in favor of TPLF members. This has not only angered the population towards the government but it has pointed out internal mismanagement further fueling the ethnic divide. Building a sustainable and inclusive development relies on the existence of transparent processes. Hence, Abiy’s government should ensure its anti-corruption campaign is not driven by ethnic or political rivalries.

- **Redressing the economy**

Ethiopia’s economy is on life support with alarming imbalances. It is heavily indebted and lacking foreign currency. Economic reforms are an urgent matter. In order to solve some of the problems and attract investments, the new administration decided to open the state-dominated economy and sell minority shares of some public enterprises (Ethiopian airlines and EthioTelecoms).

This is a major shift from the Marxist-Leninist inspired development vision of the “old guard” and the development state model introduced by Meles Zenawi. Yet, while Abiy chose to move forward in a phased approach, it will still be difficult to convince and reform the mindset. Endorsing a new vision that accepts capitalism and changing the previously chosen development paradigms is necessary to build a sustainable strategy. It is not clear how the new government will gather sufficient support internally in this important shift from the previous development paradigm but the proposed partial could attract the needed investment to revive the economy.

In addition, resolving the debt issue is a prerequisite to building economic vitality. A debt extension was negotiated with China and the repayments for the Addis-Djibouti railways were re-scheduled while western countries are timidly offering financial support. The Eritrea-Ethiopia peace mediators, the UAE and Saudi Arabia are also bringing their own funds in Ethiopia. The UAE is also promising a $3 billion investment -of which $1 billion in cash infusion and the rest in investment financing-, and Saudi Arabia is providing a year worth of fuel with postponed payment of a year. Despite these arrangements, the issue of debt is not resolved but only delayed. This could be a strategy to gain some time but the new government should figure out a strategy to relieve the country from its debt burden without being increasingly tied to its lenders. Indeed, Ethiopia should also avoid being trapped in external manipulations and superpowers’ games in the region.

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7. Coalition of opposition parties Composed of: United Ethiopian Democratic Forces, the Oromo Federalist Democratic Movement, the Somali Democratic Alliance Forces, the Union of Tigrans for Democracy and Sovereignty (also known as ARENA) and later joined by Unity for Democracy and Justice.
Conclusion

Change is pressing in Ethiopia. The new prime minister and his government have to deliver quickly. A year ago, Abiy inherited a country in deep state but now, with the elections due to take place in less than two years, the new administration needs to rapidly implement the proposed reforms, establish real synergies and accelerate the development pace. A comprehensive roadmap should be outlined taking into account the complex sociopolitical reality and the economic urgency.

As the seat of the African Union, what happens in Ethiopia matters well beyond its borders. Thus, if the challenges are not resolved, this widely heralded success could rapidly turn into a monumental fiasco, jeopardizing the stability of an entire region. Therefore, a committed leadership is needed to make this transformation happen and Abiy seems to be the right person for it. He embodies the vision and the energy required for Ethiopia’s new path towards sustainable and inclusive development through a top-down approach. What is left now is for the larger goals to filter down to the change that needs to happen at a local level.
Bibliography


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